

APPEARED
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2 House Panels Rebuff Reagan on Contra Aid

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WASHINGTON—Two Democratic-controlled House panels voted Wednesday to reject President Reagan's plea for \$100 million in military and non-military aid for the rebels fighting Nicaragua's leftist regime.

The actions represented a widely expected but far from final defeat for Reagan.

The House Intelligence Committee voted 9-7 to block the aid request, and the Foreign Affairs subcommittee on the Western Hemisphere voted 8-5 against it. The votes were almost entirely along party lines, with only one Democrat on the Intelligence Committee, Dan Daniel of Virginia, favoring the President's request.

Hours before the votes, Reagan appealed again for Congress to approve military aid for the rebels, known as *contras*. "Nothing less than the security of the United States is at stake," he warned.

"We send money and material now so we will never have to send our own American boys," he told members of a Jewish organization visiting the White House. "But if the members of Congress hide their heads in the sand and pretend the Nicaraguan threat will go away, they are courting disaster and history will hold them accountable."

Administration officials acknowledged, however, that they had no real hope of winning Wednesday's preliminary votes.

Reagan's \$100-million request is scheduled for a vote in the full House about March 19 and is expected to lose there, as well. At that point, members of Congress say, the Republican-led Senate will attempt to rescue the program by devising a compromise with less military aid than the President is seeking.

The bill rejected Wednesday contains \$30 million in above-board, non-weapons aid over the next 18 months and \$70 million in

unrestricted and officially covert aid, which officials say would be used largely for arms and military supplies funneled through the CIA. For the six months ending March 31, Congress has authorized \$27 million in food, medicine and uniforms, but no weapons.

"By asking for total discretion, for anything they want, for a total of \$100 million, the Administration went too far beyond what Congress is willing to support," said Rep. Michael D. Barnes (D-Md.), chairman of the Western Hemisphere subcommittee.

But he acknowledged that a smaller package might eventually pass. "If there were a vote today, Congress would vote to support continued non-lethal aid," he said.

Reagan told reporters at a breakfast meeting Wednesday that he believes those who oppose his request are, by their actions, backing the Sandinista regime.

"This has to be, whether intended or not, support for that particular government," he said. He showed no patience with the complaint that his Administration is trying to overthrow a legitimate government. "What is legitimate about a government that took office at the point of a gun?" he asked.

But on the Democratic side, House Speaker Thomas P. (Tip) O'Neill Jr. (D-Mass.) renewed his charge that aid to the *contras* and continued U.S. military maneuvers in Central America will lead to the use of U.S. troops in support of the rebels.

"Eventually," he said, "some American will be wounded and you'll find us in the fray. . . . You ought to be able to go the diplomatic route."

In the middle, a few congressmen labored for a compromise. Rep. Dave McCurdy (D-Okla.), a maverick Democrat who helped assemble last year's package of non-lethal aid for the *contras*, said that the "shrillness" of Reagan's arguments is not making his work any easier.

McCurdy complained that the White House has insisted on a yes-or-no vote on the \$100-million package. His proposal would provide military aid for the *contras*, but only if the Sandinistas refuse to enter into negotiations with the Nicaraguan rebels during a specified period of time.

And a House Democratic task force on Central America, blasting U.S. support for the *contras* as "ineffective and counterproductive," urged the President to resume two-party peace negotiations with Nicaragua, declare a six-month moratorium on U.S. military exercises in the region, and announce limits on shipments of sophisticated weapons to non-communist countries in that part of the world.

Separately, congressional investigators reported Wednesday that the Administration cannot account properly for most of a \$12.2-million portion of the current aid package that has been provided so far. The General Accounting Office found that Honduras and other Central American countries through which aid is shipped refused to allow the State Department to investigate the final disposition of the aid.

"The department does not have procedures and controls which would allow it . . . to ensure that the funds are being used for the purposes intended by law, and are not being diverted to other uses," GAO official Frank C. Conahan told the House Western Hemisphere subcommittee.

Conahan said that millions of dollars in the aid program had been paid to brokers in Miami on behalf of the *contras'* local suppliers in Central America, with little documentation of how the money had been used and no confirmation that it had reached its intended destinations.

He added, however, that he had no specific evidence that money had been diverted to private hands or used to buy weapons in violation of the law.

Administration officials connected with the program have acknowledged that some aid is being lost to graft and corruption but assert that the "leakage" is manageable. They said that the State Department has been blocked from sending auditors to verify deliveries because Honduras and other countries do not wish to publicly acknowledge that they are allowing the *contras* to operate.

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